

Labor Organization Officer  
and Employee ReportU.S. Department of Labor  
Employment Standards Administration  
Office of Labor-Management Standards

This report is mandatory under P.L. 85-257, as amended. Failure to comply may result in criminal prosecution, fines and civil penalties as provided by 29 U.S.C. 435, 440.

Form approved - OMB No. 1215-0188  
Expires 11-30-2002

037685

1. Name and address of person filing FRANK MARTINEZ P.O. Box 232527 SACRAMENTO CA 95823	2. Name and address of labor organization TEAMSTERS LOCAL 857 1930 G St SACRAMENTO CA 95814
3. Position in labor organization TRUSTEE	4. Date fiscal year ended 1997-1998 TO 2000
5. File number (if assigned) U-1674	

Enter appropriate data below if, during the past fiscal year, you or your spouse or minor child directly or indirectly had any of the following interests (except as specified in the exclusions set forth in the instructions):

A. Held an interest in, engaged in transactions (including loans) with, or derived income or other economic benefit of monetary value from an employer whose employees your organization represents or is actively seeking to represent.

6. Name of Employer TEAMSTERS 857	Address of Employer 1930 G St SACRAMENTO CA
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7. Nature of Interest: Transaction or Income

LIFE INSURANCE Policy

9. Held an interest in or derived income or economic benefit with monetary value from a business (1) a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with the business of an employer whose employees your labor organization represents or is actively seeking to represent, or (2) any part of which consists of buying from or selling or leasing directly or indirectly to, or otherwise dealing with your labor organization or with a trust in which your labor organization is interested.

5. Name of business AMERICAN INCOME LIFE INS	Address of business P.O. Box 2608 WACO TEX 76797
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9. Business deals with—

10. If 9B or 9C is checked give trust or employer's name

☒ A. Labor Organization ☐ B. Trust ☐ C. Employer

11. Nature and approximate dollar value of such dealings

10,000.00 FREE LIFE INS Policy  
AMERICAN INCOME LIFE INS. 3.00 ANNUALLY

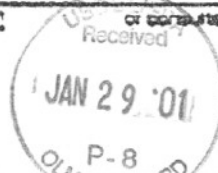
12. Nature of interest held or income received

3.00 ANNUALLY

13. Received from any employer (other than an employer covered under parts A and B above) or from any labor relations consultant to an employer any payment of money or other thing of value

13. Name and address of employer ☐ or consultant ☐

14. Nature of payment



IF MORE SPACE IS NEEDED ATTACH ADDITIONAL SHEETS

15. Signature and verification—The undersigned declares, under the applicable penalties of the law, that all of the information in this report, including the attachments incorporated therein or referred to in this report, has been examined by him and is, to the best of his knowledge and belief, true, correct and complete.

Signed: Frank Martinez at SACRAMENTO CA on 1-22-01  
City State Date

Form LM-30 (Rev. 1998)

INDEPENDENT REVIEW BOARD  
OFFICE OF THE CHIEF INVESTIGATOR

17 Battery Place  
Suite 331  
New York, New York 10004-1101

Telephone: (212) 635-0202  
Facsimile:  
(212) 363-1935

VIA EXPRESS MAIL

Frank Martinez  
2888 Baronet Way  
Sacramento, CA 95833

January 12, 2001

Dear Mr. Martinez:

In 1998 while an officer of International Brotherhood of Teamsters ("IBT") Local 857 you received a free term life insurance policy from American Income Life Insurance, a company which conducted business with Local 857. Title 29 U.S.C. § 432(a)(6) requires any officer or employee of a labor organization to file with the Secretary of Labor a signed report, a Form LM-30, disclosing for that fiscal year the receipt of a "benefit with monetary value ... directly or indirectly derived from, a business organization part of which consists ... of dealing with such labor organization." The IRB forwarded a report concerning this practice to the IBT General Counsel. A copy of that report is enclosed. It was explained that this practice violated federal law but, if it was stopped and appropriate forms filed with the Secretary of Labor, no charges would be recommended.

In a letter from Local 857 dated October 5, 2000, you were instructed to complete an enclosed LM-30. According to the Local 857 office manager, the Local did not receive a completed Form LM-30 from you.

You are hereby notified that you must provide this office with a copy of a completed Form LM-30 that was filed by no later than January 30, 2001. Failure to file and provide this information to this office by January 30, 2001 will result in the IRB recommending to the IBT that charges be filed against you pursuant to the IRB's powers described in the Opinion and Order in United States v. International Brotherhood of Teamsters, 88 Civ. 4486 (DNE) (S.D.N.Y.). If you have any questions in this matter, please contact Haluk Savci, Esq. at 212-635-0202.

Very truly yours,

*Charles M. Carberry*  
Charles M. Carberry  
Chief Investigator

cc: Members of the IRB  
Patrick Szymanski, Esq.  
Jimmy D. Hammack

INDEPENDENT REVIEW BOARD  
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21-1674

Chief Investigator:

Charles M. Carberry, Esq.  
Battery Place, Suite 331  
New York, NY 10004

Administrator:

John J. Cronin, Jr.

June 6, 2000

Patrick Szymanski, General Counsel  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, D.C. 20001

Board Members:

Grant Crandall, Esq.  
Crandall, Pyles, Haviland & Turner  
122 Capitol Street, Suite 300  
Charleston, WV 25301

Frederick B. Lacey, Esq.  
LeBoeuf, Lamb, Greene & MacRae  
One Riverfront Plaza  
Newark, NJ 07102-5490

William H. Webster, Esq.  
Milbank, Tweed, Hadley & McCloy  
1825 Eye Street, NW, Suite 1100  
Washington, DC 20006

Re: Marketing of American Income Life Insurance

Dear Mr. Szymanski:

The Board has discovered in seven Locals a marketing scheme whereby American Income Life Insurance Company ("AILI") gives each member of a Local executive board, and sometimes other employees of the Local, \$10,000 in free term life insurance. In an implicit exchange for this personal benefit which is never disclosed to the members, the board causes on Local letterhead under an officer's signature a letter AILI drafted to be mailed to Local members and retirees announcing that AILI, as the results of the efforts of the Local board, will give each member a \$1,000 policy. The board solicits the members to return lead cards to AILI and to listen to the discussion of the company's products when a salesperson calls. In sum, the Local board, in return for an undisclosed personal benefit ten times greater than that provided members, allows a third party indirect access to the membership list and use of Local letterhead. In addition, the officers make no disclosure of the benefit on Department of Labor Form LM-30 as required under 29 U.S.C., Sec. 432(a)(6). Having found this practice in seven Locals, the IRB has reason to conclude, given AILI's procedure, that the arrangement is present in more Locals. An example of the AILI form letter to be sent out on Local letterhead is attached as Exhibit A.

As you know, Local officers' receipt of undisclosed benefits to allow a third party use of a Local asset is a violation of their fiduciary duties. Officers should not receive undisclosed personal benefits in return for use of Local assets to assist sales to members. The failure to file required disclosure forms which would have disclosed these benefits suggests the officers recognize the practice is improper. (Ex. B)

U-1674

Patrick J. Szymanski, Esq.  
June 6, 2000  
Page 2

The International should explain to the Local boards the impropriety of this practice and instruct them that the practice is not to continue. This should not be limited to the Locals where it has been found. It should also inform the board members of their obligation and require them to file Form LM-30 for the receipt of past benefits. We also believe the International should inform AILI that its current marketing practice for IBT Locals violates IBT policies and request the company to stop it.

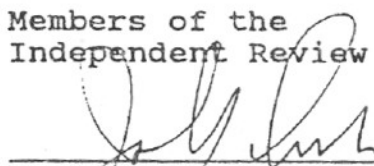
If these steps are taken and the Local officers do as required within 60 days of this letter, the IRB will not recommend any charges based on the conduct described which occurred prior to the date of this letter. However, if the steps are not taken or the Local officers do not take the remedial steps as required, then the IRB will consider recommending individual charges not only for future violations from this practice, but also for unremedied past conduct.

Please notify the IRB within 21 days of receipt of this letter of how the IBT plans to proceed. Thank you for your attention to this matter.

Very truly yours,

Members of the  
Independent Review Board

By:

  
John J. Cronin, Jr.  
Administrator

Enclosures

cc: Charles M. Carberry, Esq.